YE - A-10 ADJUSTMENT FOR DISHONORED CHECKS

Source Document: Dishonored Check Log

Trial Balance

Module: General Ledger (GL)

Roles: GL Journal Processor

GL Journal Approver

Purpose: The A-10 entry is required for dishonored checks considered to be collectible during the next year. The A-10 entry removes the **collectible** dishonored checks from Provision for Deferred Receivables and reflects the amount in the nominal account.

The A-10 entry will be recorded in the General Ledger (GL) Module in Period 998 and reversed in the new fiscal year.

The year-end adjusting entries are listed below. The credit account will be the same account to which the check was originally posted.

Debit 1290000 Provision for Deferred Receivables^{1/}

Credit 201XXXX Due to Other Funds/Appropriations^{2/}

Credit 205XXXX Advance Collections

Credit 2090100 Uncleared Collections

Credit 4XXXXXX Revenue

Credit 48XXXXX Reimbursements

Credit 51XXXXX Personal Services

Credit 53XXXXX Operating Expense and Equipment

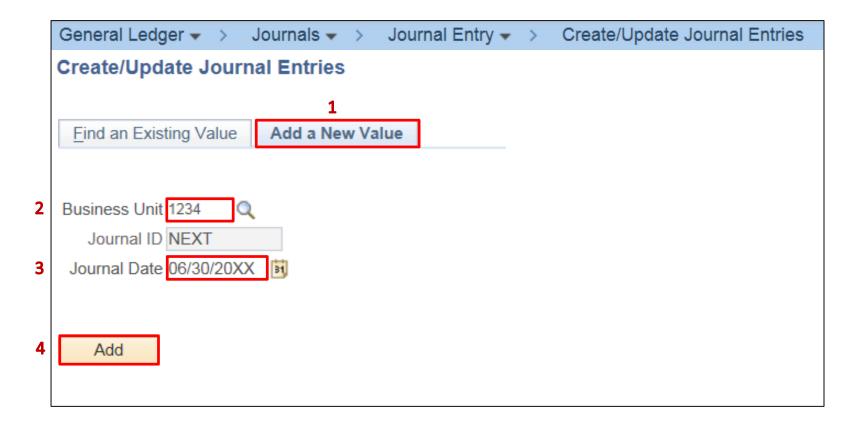
¹/When posting to Account 1290000, click in the Alternate Account field and select the appropriate alternate account from the list of accounts, to match the original entry. This information will be **required** to complete the year-end Subsidiaries on File report.

All these entries are reversed in the new fiscal year.

^{2/}Journal lines posted to Account 201xxxx – Due to Other Funds/Appropriations should **always** include values in the Affiliate (BU) and Fund Affiliate (fund) fields. This information will be **required** to complete the year-end Subsidiaries on File and Due to/Due From reports.

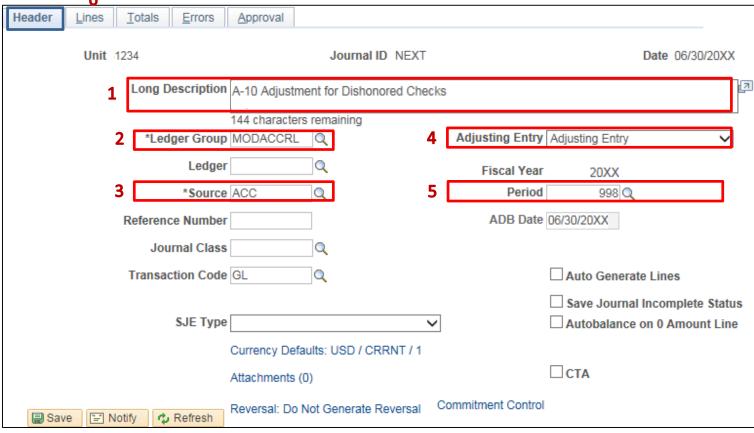
The **GL Journal Processor** will create a new GL Journal. Navigate to Create/Update Journal Entries (as shown below), then:

- 1 Click the Add a New Value tab
- 2 Enter your Business Unit
- 3 Enter the Journal Date
- 4 Click Add



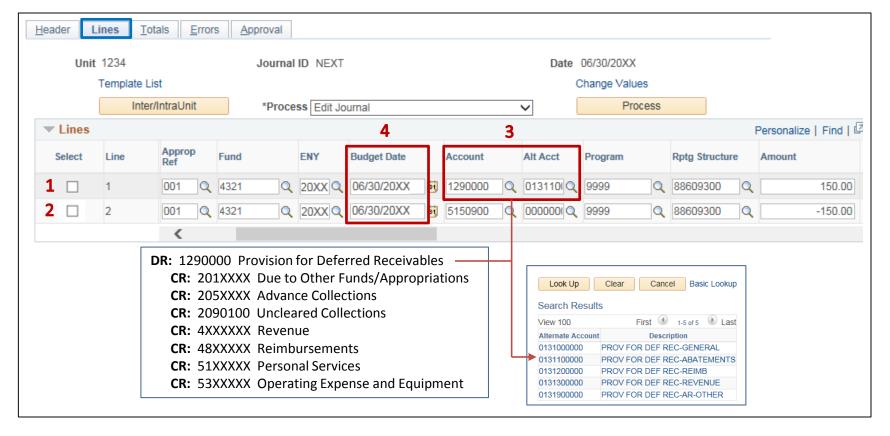
The **GL Journal Processor** will create the Journal **Header**.

- **1** Enter a **Long Description** of the A-10 Adjustment for Dishonored Checks
- 2 Ledger Group will default to MODACCRL
- 3 Source should be ACC (Accruals)
- 4 Select Adjusting Entry
- 5 Period should be 998
- **6** Click the **Lines** tab to enter journal lines.



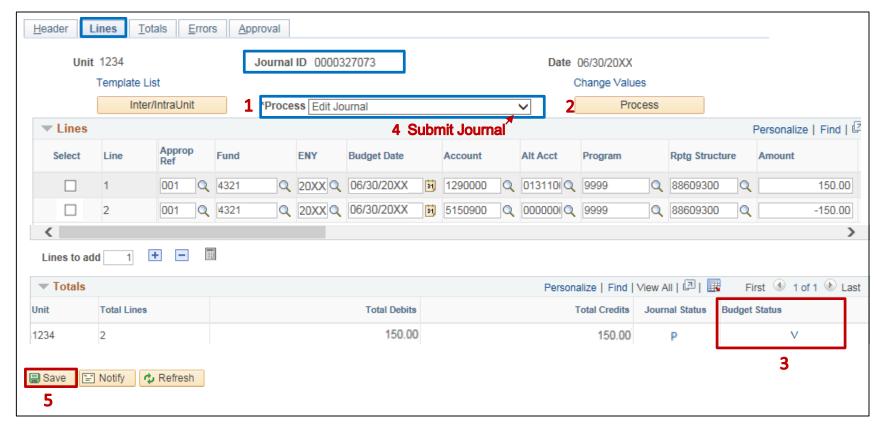
The **GL Journal Processor** will enter the Journal Lines in the **Lines** tab.

- 1 Enter debit line using account 1290000 Provision for Deferred Receivables
- 2 Enter credit line based on the appropriate account shown on slide 2
- 3 When using the Account 1290000, the Alternate Account field is selected from the list of accounts shown. When account 201XXXX is used, include the Affiliate and Fund Affiliate fields. This information will be required to complete the year-end Subsidiaries on File and Due to/Due From reports.
- 4 Review Budget Date to make sure it corresponds to the Enactment Year (ENY). If not, edit the budget date.



The GL Journal Processor will budget check the Journal Lines.

- **1** Select **Edit Journal** from the Process drop down menu.
- 2 Click Process
- 3 Budget Status Valid "V"
- 4 Select **Submit Journal** from the Process drop down menu.
- **5** Click **Save**. The system will assign a Journal ID and route the journal for approval. Note the Journal ID on your source document for reference.



Reversing Entries in the New Year

After the journal is approved and posted in Period 998, the **GL Journal Processor** will copy the journal to create the manual reversal entries in Period 1.

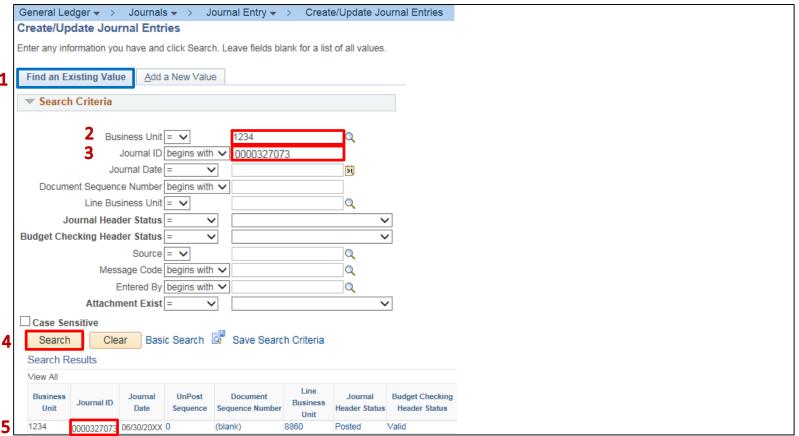
Accrual journal entries <u>must be manually reversed</u> in Period 1 of the new fiscal year.

Note:

- <u>DO NOT</u> use the "automated reversal" option. This method will create budget check errors in the new year.
- Year-End accrual entries in Period 998 and the reversal entries Period 1 should net to zero.

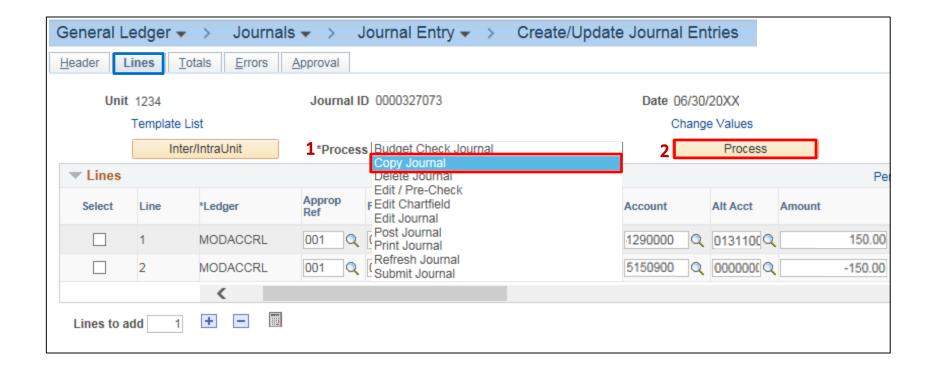
The **GL Journal Processor** will retrieve journal entry for reversal in the New Year. Navigate to Create/Update Journal Entries (as shown below), then:

- 1 Click the Find an Existing Value tab
- 2 Enter your Business Unit
- 3 Enter Journal ID
- 4 Click Search
- 5 Select Journal ID



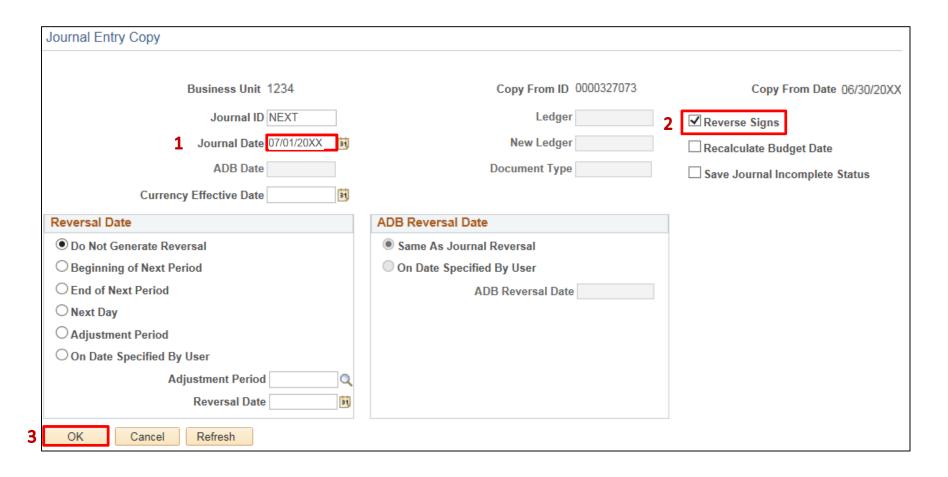
The **GL Journal Processor** will copy the journal lines.

- **1** Select **Copy Journal** from Process dropdown menu.
- 2 Click Process



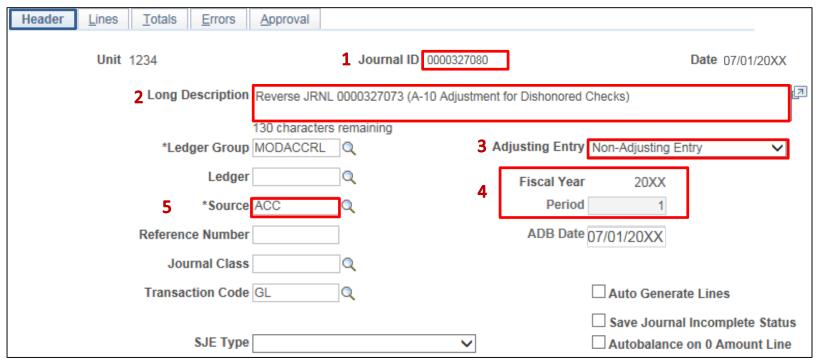
The **GL Journal Processor** will edit the Journal Entry Copy Screen.

- **1 Journal Date**: 07/01/20XX (new fiscal year)
- 2 Check Reverse Signs
- 3 Click OK



The GL Journal Processor will update the Header Page.

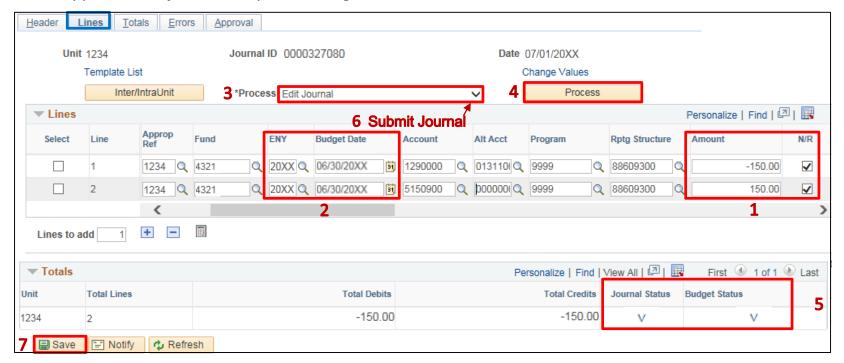
- **1 Journal ID:** A new number will be generated for this entry
- **2 Long Description:** Add 'REVERSE' JRNL (original Journal number) A-10 Adjustment for Dishonored Checks description to define the purpose
- **3 Adjusting Entry:** Select "Non-Adjusting Entry" **Caution:** If "Adjusting Entry" is posted by mistake, delete the journal and start over. Attempting to correct the journal with a Non-Adjusting Entry causes the transaction to post twice, in Period 998 (after the first budget check) and in Period 1 (after the second).
- 4 Fiscal Year: 20XX (new year) and Period: 1
- 5 Source: ACC (Transactions entered as ACC in 998, are reversed as ACC)



The **GL Journal Processor** will Edit and Post Journal.

- 1 Verify Entries are reversed. The journal lines should be the same as the original accrual journal except the signs (+/-) are reversed for all the amounts. The "N/R" column should be checked.
- 2 Review **Budget Date** to make sure it follows **Enactment Year (ENY)**. If not, edit date.
- 3 Select **Edit Journal** from the Process drop down menu.
- 4 Click **Process**
- 5 The Journal Status and Budget Status should show Valid (V)
- **6** Select **Submit Journal** from the Process drop down menu.
- **7** Click **Save**. This will route the journal for approval.

After approval, the journal will post overnight.



Tips:

- Journal lines posted to Account 1290000 must have an appropriate value in the Alternate Account field, selected from the list of accounts.
- Journal lines posted to Account 201XXXX Due to Other Funds/Appropriations must have values in the Fund Affiliate and Affiliate fields.
- Record accrual entries in Period 998, Source: ACC, and Adjusting Entry: Adjusting Entry.
- Record reversal entries in Period 1 of the new fiscal year, source of ACC, and entry of Non-Adjusting Entry.